

HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII

**MINUTES OF THE REGULAR MEETING
OF THE HOUSING AND COMMUNITY DEVELOPMENT
CORPORATION OF HAWAII
HELD AT THEIR OFFICE AT 677 QUEEN STREET
ON THURSDAY, FEBRUARY 16, 2006,
IN THE CITY AND COUNTY OF HONOLULU, STATE OF HAWAII**

**AMENDED
MINUTES
03/16/2006**

The Board of Directors of the Housing and Community Development Corporation of Hawaii met for a regular meeting at 677 Queen Street, on Thursday, February 16, 2006, at 9:05 a.m.

The meeting was called to order by Chairman Charles Sted and, on roll call, those present were as follows:

**CALL TO
ORDER/
ROLL CALL**

PRESENT: Director Charles A. Sted, Chairman
Designee Rick Manayan
Designee Henry Oliva
Director Francis L. Jung, Esq.
Director Linda Smith
Director Travis O. Thompson
Director Charles King

Executive Director Stephanie Aveiro

Staff Present: Nalani Wilson-Ku, Deputy Attorney General
Pamela Dodson, Executive Assistant
Janice Takahashi, Chief Planner
Mavis Masaki, Legislative Coordinator
Jeanne Hamilton, Planner
Darren Ueki, Finance Manager
Tom Otake, Acting Development Section Chief
Stanley Fujimoto, Project Manager
Chris Sadayasu, Project Coordinator
Edmund Morimoto, Construction Management Section Chief
Richard Speer, Project Engineer
Lili Funakoshi, Hearings Officer
Dexter Ching, Section 8 and Subsidy Branch Chief

Others: Michael Flores, U.S. Dept. of HUD, Hawaii State Office
Richard Knight, U.S. Dept. of HUD, Hawaii State Office
Mark Chandler, U.S. Dept. of HUD, Hawaii State Office
Marvin Awaya, Pacific Housing Assistance Corporation
Gary Mackler, Kauai County Housing Agency
Wade Oshiro, County of Maui
Leah Yanagi, County of Hawaii
Micah Kane, Chairman, Department of Hawaiian Home Lands
and Hawaiian Home Lands Commission
Sam Moku, Department of Hawaiian Home Lands, Home
Ownership Assistance Program
Mark Chandler, Community Planning and Development Director,
U.S. Dept. of HUD, Hawaii State Office
Sisan Suda, Island Tenants on the Rise (ITOR)
Lusia Wieckowicz, Island Tenants on the Rise (ITOR)
Bill Barton, Court Reporter, Carnazzo Court Reporting Company
Ltd.

The Chairman declared a quorum present.

QUORUM

Director Thompson moved, seconded by Director Oliva,

HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII

That the minutes of the Regular Meeting held on January 26, 2006 be approved as circulated.

The motion was unanimously carried.

APPROVAL
OF MINUTES -
REGULAR
MEETING -
1/26/2006

Independent Contractor To Assist with Board Secretarial Meeting Minutes:

The Chairman introduced Mr. Bill Barton, Court Reporter, to record verbatim proceedings for written minutes to be approved at the next meeting.

Chairman Chuck Sted noted that For Action and For Information agenda items will now be under one section of Discussion and/or Decision Making.

The Chairman discussed items for discussion and did not anticipate making a decision today on the first item:

DISCUSSION
AND/OR
DECISION
MAKING

Executive Director Stephanie Aveiro introduced Micah Kane, Chairman of the Department of Hawaiian Home Lands (DHHL) and the DHHL Commission, who shared information about DHHL. He provided information about two regional plans – the Kealahou/La'i'opua Regional Plan and the Kapolei Regional Plan – and the Homeownership Assistance Program (HOAP).

Mr. Kane commented that Director Linda Smith was a member of the DHHL Advisory Board and was intimately involved in the department's plans. He also commented on the foresight of HCDCH staff in identifying master planned communities in the early 90s and which now have tremendously benefited the DHHL.

Mr. Kane presented two regional plans – Kealahou/La'i'opua and Kapolei – for the Board's information. The DHHL has identified 20 regions statewide, both old and new communities, where the department would like to bring together the infrastructure and social services concept into each region[~~—live, work, play and learn concepts. The intent of these plans is a basic marketing tool that will take the issues within a region and centralizes the DHHL lands within the center of the region—the people. The philosophical issue is how DHHL will create an environment so that the reservation type mentality of poor people, etc., will be eliminated for those lessees coming onto DHHL homestead lands. Instead, infrastructure, educational and community opportunities, etc., will already be available for those prospective homeowners.~~].

DEPART-
MENT OF
HAWAIIAN
HOME LANDS
(DHHL)
POLICIES
AND
PRACTICES
IN THEIR
PREQUALI-
FICATION
SELECTION
CRITERIA OF
THEIR
PROSPEC-
TIVE
HOME-
OWNERS
AND
REGIONAL
PLANNING
PROCESS.
**Corrected
3/16/06**

The Kealahou/La'i'opua Regional Plan has been adopted by the DHHL Commission. The intent of this plan is:

1. to provide information essential to the planning of projects, services and entrepreneurial ventures;
2. to identify key issues, opportunities and constraints affecting the region;
3. to assist in the efficient allocation of resources, both for DHHL and its partners;
4. to identify priority projects which DHHL can get people in the region to focus on;
5. to identify the policymakers and politicians who will be responsible and accountable for what happens in the region. The decisions they make will affect the stakeholders and community people in the region;
6. to identify the stakeholders in the community – groups of people who can advocate for the DHHL at the Legislature; and
7. to identify what the benefits are for DHHL.

The DHHL will take a leadership position in the region as a facilitator by bringing together the parties and educating the stakeholders so that they will be able to take the lead and work alongside the policymakers. Of critical

importance here is educating these two groups about the history of this region – why it is special, what will work, and how the region will sustain the community in a self-sufficient manner; i.e., “smart growth,” or “‘āhupua’a.”

Mr. Kane then pointed out where the DHHL lands are in the regional plan and indicated that it is important for the department to know who the landowners are surrounding the DHHL lands, who are the potential partners and what are their capabilities and interests. Other demographics that the DHHL will review are income levels of the people in the region, educational levels, development trends, etc. Then, the DHHL will make recommendations based on their consultant’s research and input from the homestead association regarding the land uses in the region.

The regional plan also attempts to identify major infrastructure needs – roads, water system, sewer, and public utilities, and recommendations for these infrastructure needs. From these recommendations, the following five (5) major recommendations are:

1. North Kona water source development. Governor Lingle included \$12 million in CIP, via DLNR, for the development of the North Kona Water Master plan.
2. Connector Road – an interim bisecting road until the Kealahou Parkway extends up to Palehe Road. The DHHL is working with the DOT to amend their budget so that there is an 80/20 match. This road will provide access to DHHL for Villages 1 and 2, as well as Village 13 for HCDCH, and access to Kealahou High School.
3. Relieve traffic off Queen Kaahumanu Highway up into the mauka area with a mid-level road.
4. Expansion of West Hawaii Community College into the La’i’opua region. The land is owned by DLNR, and DLNR will support DHHL if the community supports the relocation back to La’i’opua.
5. Community Center – Set aside of 16 acres and working with the homestead association to obtain grant-in-aid funding through the Legislature.

Chairman Kane reported that the No. 1 priority in the Kapolei Regional Plan is the East Kapolei Parkway Extension. Priority No. 2 is the East Kapolei One which will break ground in March 2006. DHHL will also relocate its department to this site. East Kapolei Two, a 318-acre parcel acquired from the DLNR, is another priority.

With respect to the East Kapolei Parkway Extension, the DHHL is investing about \$40 million in off-site construction that will benefit public and private entities in this area. This includes putting in reservoirs and coordinating the sewer master plan which includes a sewer trunk line. This is one line item that perhaps HCDCH could assist the DHHL.

The DHHL has identified ten existing communities: Waimanalo, Papakolea, Nanakuli, Waianae, Keaukaha, Waimea and Kawaihae on the Big Island, Anahola and Hanapepe on Kauai, and Wailuku and Kula on Maui where DHHL is preparing regional plans.

Mr. Kane said that he would entertain any questions from the Board.

Director Thompson asked Mr. Kane what sort of staff he had, and how were these plans put together.

Mr. Kane replied that the preparation of the regional plans were driven more from the Chairman’s office because this is where the priorities are able to be established. Since everyone knows what the land uses are, the plans are driven out of a policy standpoint, as opposed to a technical standpoint. In this case, consultants Akinaka & Associates, and PBR played a big role in it.

Director Thompson commented that he was very impressed with the presentation and that the report was excellent.

Director Smith commented that much of the foundation of the plan was set by the previous HFDC. She noted that HCDCH has the same components in terms of vacant lands and existing communities which, in effect, is HCDCH's federal or state-owned public housing projects. She further commented that being a member of the DHHL Advisory Committee has helped her to understand what are HCDCH's assets and what the agency can do to develop housing and communities. She suggested that the HCDCH should embrace the DHHL model and use it as the direction for its own planning, including regional and the National Governors Association efforts.

Mr. Kane indicated that the intent of the Home Ownership Assistance Program (HOAP) is to create awards that make home ownership a partnership. Mr. Sam Moku, who oversees the program, initially developed The Undivided Interest Awards Program which identifies groups of people who are interested in living on DHHL lands. There are three phases to the Undivided Interest Awards:

1) Ho'ohiki, where DHHL promises to prepare the homestead lot for construction and assist the homestead families to prepare for home ownership (informational meetings, orientation, lease signing, financial assessment); 2) Ho'opaepae, where DHHL focuses on securing finances for the homesteaders and become familiar with their new neighborhoods; and 3) Ho'oko, where DHHL honors its promise to fulfill that construction is completed and the families will move into their new homes and into the new communities.

Mr. Moku further indicated that DHHL is in the process of developing a post ownership component as well as a self-help repair and/or maintenance program. The final component would be the job placement part where beneficiaries may lose their jobs, so the department is working with the private sector service providers and unions to partner with them to assist the homeowners. Basically, the steps that each beneficiary must go through include:

1. filling out a financial assessment form;
2. getting a credit check;
3. getting credit repaired;
4. getting a pre-qualification letter; and
5. getting a loan.

In line with this, the DHHL keeps the caseworker involved with the beneficiary by giving them incentives (paying them) along the process. The DHHL found that it takes three times longer to qualify a beneficiary to obtain a mortgage on the outside market.

Mr. Kane further reported that in the first week of March 2006, DHHL will present the testimony to the House Incentive Banking and Appropriations Committee requesting to continue funding their programs since the current administration's budget was cut by thirty per cent.

Chairman Sted asked the Board if they had any questions.

Director Thompson asked Mr. Kane what percentage of homesteaders are not participating in HOAP. And, are most people interested in the program?

Mr. Kane responded that La'i'opua breaks ground in June 2006, and East Kapolei One breaks ground in March 2006. The projects are approved and developments will happen. So, there is an incentive on the homesteaders part to be engaged, although very few.

Director Jung asked Mr. Kane if the HOAP is affected by the Davis Bacon Act and how the Act affects the DHHL?

Mr. Kane responded in the affirmative. The Act increases housing costs which forces the DHHL to look at more self-help components.

Director Smith thanked Mr. Sam Moku for the way that DHHL has dealt with their waiting list prequalifications and cutting down the amount of time that is involved in making sure that the department is comfortable with the families who move into their facilities. She also remarked that although there may not be an exact match for what is needed, the program and process has been successful and can be modified for the HCDCH waiting list.

Chairman Sted thanked the DHHL representatives, and moved to the next item on the agenda.

The Chairman: This is an item for action. Is there a motion to approve?

That the Board Approve the Extension
of Condition to Dwelling Unit Revolving
Fund Financing for the Senior Residence
At Iwilei Project

Director Manayan moved, seconded by Director Smith,

That staff's recommendation be approved.

Executive Director Aveiro asked Stanley Fujimoto, Project Manager, to present the "For Action."

Mr. Stanley Fujimoto reported that the Senior Residence at Iwilei Project is a 160-unit elderly rental project in Iwilei, Oahu, that was approved for funding. In August 2005, this Board granted an extension to the funding, with the condition that the developer, Pacific Housing Assistance Corporation, obtain approval of a revised financing plan by the end of February 2006. The developer has submitted a written request for another six months extension until the end of August 2006.

Mr. Fujimoto indicated that the developer is 75% complete with his construction drawings. Before submitting his plan for approval, the developer wants to finalize the costs and financing requirements. In April 2006, the developer will be submitting his plans for City approvals and attached a revised schedule to the "For Action." The developer hopes to receive his foundation permit in July 2006, put out to bid in September 2006, and start work in October 2006. Mr. Fujimoto stated that although the schedule is tight, it does not include time delays caused by DAGS' opposition to HCDCH's requirement for Easement U on the adjacent DAGS property. Easement U is necessary for emergency access as well as for utilities. More importantly, Easement U enables HCDCH to cancel an existing access easement cutting through the HCDCH site. DAGS is saying that Easement U should be eliminated or reduced. However, if Easement U is eliminated, this project will not move forward. And the project cannot afford another time delay.

Mr. Marvin Awaya explained that they are proceeding on building plans, etc., without a lease because of the subdivided parcel and easement problems on State land, not to mention the difficulty with resistance from DAGS.

Mr. Awaya stated that there has been no resolution at the staff level, and the matter keeps on escalating.

Director Thompson asked whether HCDCH had any monies tied up in this project and how much.

EXTENSION
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FINANCING
FOR THE
SENIOR
RESIDENCE
AT IWILEI
PROJECT,
IWILEI, OAHU
HAWAII;
TMK:
(1) 1-5-7-002

HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII

Mr. Darren Ueki responded that HCDCH has an additional resolution for some multi-family bonds to do construction financing and some permanent financing. He further commented that HCDCH has authorized four per cent tax credits.

Director Thompson asked Mr. Darren Ueki whether commitments were made to this project so that tax credits could not be given to another project?

Mr. Ueki replied that this particular project is not holding up anything since the project is using noncompetitive tax credits with no cap. Also, there is sufficient bond authorization to fulfill the requirement.

Director Thompson commented that this project started in 2001 and is now into the fifth year, and the developer is still requesting extensions. He voiced his concern about the project and sees no resolution. Director Thompson noted that there must be other places to build senior housing and be successful.

Mr. Awaya explained the setbacks, including funding issues, and the inability to get DAGS and the City to agree on the easement issue. Mr. Awaya is also concerned about the foundation permit and will start building with the foundation permit without the building permit. Escalation in construction costs is another concern to the developer in determining the real design costs for the project. However, Mr. Awaya indicated that they will move forward.

Director Smith asked Mr. Awaya whether he can expect a resolution from DAGS and whether DAGS is aware that the Legislature has a bill to change the whole parcel to make it housing.

Executive Director Aveiro indicated that she asked State Comptroller Russ Saito to talk to his staff to resolve this matter because Easement U is necessary.

Director Smith asked Mr. Awaya how much more money was needed.

Mr. Awaya responded that he was not sure, and it may be possible that he will ask for an increase in bond authorization via the Hula Mae Multi Family Bond Program.

The Chair interrupted Mr. Awaya and indicated that the discussion was taking a lot of time. Chair Sted indicated that the discussion provided sufficient details in order to decide on whether or not to approve the extension.

The Chair further asked if any Director felt differently about continuing on with a detailed discussion.

Director Thompson responded in the negative, and indicated that he would not be supporting the extension as he has strong reservations on whether or not the project will ever be completed.

Chairman Sted asked Mr. Awaya how many projects is he currently working on. Mr. Awaya responded five.

Chairman Sted asked where did this project fall in priority among the five that are currently active, and Mr. Awaya responded that this project is his number one priority.

There being no further discussion, the Chair asked for a vote.

The motion was carried with Director Thompson opposing.

RECESS

MEETING

Director Thompson then moved, seconded by Director King,

RECONVENED

That the meeting be recessed at 10:15 a.m.

The motion was unanimously carried.

The Chair reconvened the meeting at 10:30 a.m.

The Chair moved to the next agenda item which is “For Action.”

Discussion and Possible Action on Housing
and Community Development Corporation of
Hawaii’s Administration of the Home Investment
Partnerships Program (HOME) Program.

DISCUSSION
AND
POSSIBLE
ACTION ON
HOUSING
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HAWAII’S
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NERSHIPS
(HOME)
PROGRAM

Chairman Sted commented that since there is much interest in this For Action, the Board would hear comments initially from the HCDCH staff, followed by comments from representatives of HUD, then comments from representatives of the neighbor island counties. At the end of the discussion, a decision will be made whether or not action will be taken, or whether this item will be calendared for a subsequent meeting.

Executive Director Aveiro stated that Mr. Darren Ueki, HCDCH Finance Manager, will present the “Discussion and Possible Action.”

Mr. Darren Ueki gave a brief historical background of the HOME program, indicating that the program has been operating satisfactorily for many years, with annual reviews being conducted by HUD.

Mr. Ueki explained that the HOME Investment Partnership Program was created in 1990 to expand the supply of decent, safe, affordable and sanitary housing with primary emphasis on low-income rental housing. Mr. Ueki further explained that it strengthens the abilities of the State and local government to design and implement affordable housing strategies and provides both federal financing and technical assistance.

Mr. Ueki stated that the State of Hawaii is considered the participating jurisdiction also known as the “PJ” and is eligible to receive a \$3 million annual allocation in HOME funds from the U.S. Department of HUD. He reported that the State HOME funds are allocated to the Counties of Kauai, Maui and Hawaii, while the City and County of Honolulu is considered a PJ itself and receives funds directly from HUD. Noncompliance of HUD requirements by a county may result in sanctions against the HCDCH since the HCDCH acts as the recipient of the monies from HUD.

Mr. Ueki reported that one of the key issues that HCDCH has encountered is that HUD has raised a concern regarding the State’s performance of the HOME program relating to the timely expenditure of the HOME funds. HUD is especially concerned, as future HOME fund allocations are based on the State’s ability to expend the HOME funds in a timely fashion.

The “PJs” have two years in which to commit HOME funds to eligible projects or programs and five years to expend the funds. Noncompliance may result in possible recapture by HUD. To date, no funds have been lost to the State in allocating funds among the Counties for the past 14 years. However, due to various delays caused by the Counties having to stack some of their annual allocations in order to fund a single project, or more monitoring responsibilities placed on HCDCH, the HCDCH feels it is imperative that the corporation ensure timely expenditures of the HOME funds are made.

Mr. Ueki reported that Mr. Mark Chandler, the Community Planning and Development Director of HUD, Hawaii State Office, indicated that HCDCH is not required to allocate HOME funds to the counties. As such, the State may fund projects directly anywhere within the State with these funds.

The Chair asked Mr. Chandler for his thoughts.

Mr. Chandler introduced Mr. Richard Knight, of HUD, as the representative in charge of managing the State's grant. Mr. Chandler then asked the Board whether they had seen HUD's Annual Community Assessment (ACA) of HCDCH.

Director Manayan indicated that he had not.

Mr. Chandler explained that the ACA is HUD's report card on HCDCH of all the programs relating to community planning and development. HUD has the report on the HOME program, the Emergency Shelter Grant (ESG) and the HOPWA Program that he manages. Mr. Michael Flores, of HUD's Public Housing Office, also deals with HCDCH. Mr. Chandler suggested that the Board look at this assessment and understand what HUD is saying about the issues as they apply to the HOME Program.

The Chairman asked Mr. Chandler to clarify his peers' relationships.

Mr. Chandler explained that the head office of HUD is in Washington, D.C., and they work directly with Mr. Gordan Furutani of the HUD Hawaii State Office. Mr. Chandler explained that Mr. Flores' public housing programs have most of the money received by HCDCH. Mr. Chandler said that he deals with approximately \$4 million or \$5 million of HCDCH's money, while Mr. Flores deals with many millions more. The HOME Program concerns have been more on the management side, primarily controlling the program. The HOME monies for HCDCH have never been recaptured, but more importantly, what are the decision-making factors as to who is the grantee and the monitoring of the program. As a performance measure, HUD holds the State accountable.

Mr. Chandler then distributed copies of the assessment for the past two years. The Chair said that copies will be given to all the Directors.

Mr. Chandler explained that if one project, i.e., Maui County, has a project that may be delayed for another two years, the delay could cause HCDCH to lose allocations.

The Chair asked Mr. Chandler whether Mr. Ueki was correct in quoting Mr. Chandler as saying that HCDCH, as the administrator, has been operating under a flawed premise versus what could or should be done.

Mr. Chandler stated that what occurred in the past has a lot to do with the development of the regulations at the time and the guidelines. He further stated that the regulations say that the State can allocate money in any way to any of the jurisdictions that the State manages, and he said that the HCDCH could take control of the program since HCDCH is authorized regulatory-wise.

Mr. Chandler mentioned the following four (4) options that were considered to improve performance of the HOME Program:

1. HCDCH, or the State, could administer the HOME funds directly and incorporate the State's available funds into the HCDCH's annual consolidated financing application cycle to include the trust funds and the low income housing tax credits.

HCDCH could give priority to HOME Fund requests from the neighbor island counties. However, the State's HOME funds would be available to projects

HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII

located statewide, to include Oahu. This option would require a transition period with the Counties since their existing commitments would need to be funded.

2. Continuing distributing the funds to the neighbor island counties on a competitive basis.
3. Give the Counties a 5-year HOME allocation - \$15 million on a rotating basis. However, this option would not guarantee that each county would utilize the funds at the point in time that their turn in the rotation comes up. Also, there is risk to the other two counties waiting their turn that the program could be terminated and funding removed.
4. Funds go directly from HUD to the Counties. HCDCH would have to go to Congress to do this change.

After reviewing all of the options, staff recommended Option No. 1 because:

1. Developers who apply for HOME funds from the respective counties could also request financing directly from HCDCH.
2. HCDCH would be able to expend the State's HOME Program funds in a timely manner as most, if not all, of the available HOME funds could be awarded to an eligible project through the existing consolidated application process.
3. As the HOME Program administrator, HCDCH will be responsible to HUD for its direct performance of the State's HOME Program.

Upon approval of any of the aforementioned options considered, the next course of action would be to inform the administration or the Governor's Office as it relates to any action that the Board may take.

Mr. Chandler stated that his discussion with staff is more on the use of the \$3 million on a rotating basis - \$3 million to Maui County this year, \$3 million next year to Kauai County, and \$3 million to Hawaii County the following year. He further stated that both Kauai and Hawaii Counties have concerns and feel it may impact things. Any changes the Board makes will ultimately affect the Counties' consolidated plans and the State's consolidated plans. If the Board were to approve the option that staff is recommending, HCDCH must rewrite its consolidated plan as to how the HOME funds will be distributed. Currently, the State's consolidated plan says that HCDCH will distribute \$1 million each year to each neighbor island County.

The Chairman stated that the Directors may have questions later and may want to get back to Mr. Chandler. In the meantime, the Chair called on the representative from the Island of Hawaii.

Ms. Leah Yanagi from the Hawaii County's, Office of the Housing and Community Development, read a letter from the Mayor's Office requesting a deferral of the "For Action" item to discuss the HCDCH's administration of the HOME Investment Partnership Program. Ms. Yanagi explained that the "For Action" is a recommendation that the HCDCH administer the HOME program instead of distributing the funds to the three neighbor island counties.

Ms. Yanagi stated that the Hawaii County has been receiving HOME program funds from HCDCH for fourteen years and requests additional time to discuss this issue with the other counties, with HCDCH staff, and with HUD. The letter from Mayor Kim requests to know why HCDCH is proposing this action, and asks to discuss the pros and cons of the options to administer the HOME Program.

The Chair commented that they may come back to Ms. Yanagi of Hawaii County with questions, but would like to now hear from the representative from the County of Kauai.

HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII

Mr. Gary Mackler represents the Kauai County Housing Agency and is currently the HOME coordinator. Mr. Mackler also requests that the Board of Directors defer the For Action agenda item. He distributed a letter from Mr. Kenneth Rainforth, Kauai Housing Director, to the members.

Mr. Mackler explained that Kauai County has benefited from the HOME Program since 1993, and has been a significant source of grant funds for the County. The program has enabled the County to implement activities to assist Kauai's very low and low-income families. He emphasized that based on the review of the "For Action," Kauai County is concerned that this proposed action could diminish the County's access to the State's allocation of HOME funds, and could be a barrier to project development, especially for nonprofit partners who are unable to meet the project readiness requirements of the consolidated financing application.

The Chair asked Mr. Mackler if he would like to comment. Mr. Mackler commented that having been directly involved with this grant for 13 years, he has witnessed what the program has accomplished at the local level. He further commented that there will be a huge drop-off of quality housing projects applying for HOME funds through the consolidated financing application.

The Chair called on the representative from Maui County.

Mr. Wade Oshiro, from Maui County, distributed a letter from Mayor Alan Arakawa to the Board members which indicated that the County was also notified by Mr. Darren Ueki on February 13, 2006, that the HCDCH Board of Directors at their Regular Meeting held on February 16, 2006, would be contemplating the HCDCH administering the HOME Program funds.

The letter from Mayor Arakawa indicated that all the neighbor island counties administer their own allocation, and that no prior discussions were held between the Counties regarding the proposed drastic change. Therefore, the letter requests that the Board defer action on this matter until representatives from the three Counties, and HUD, have an opportunity to consider and discuss all of the relevant factors before a decision of this magnitude is made.

Mr. Oshiro personally stated that the HOME program has helped Maui County to develop the Hale Makana O'Waiale, a low-income housing project. The HOME funds were also used to assist 76 first time homebuyers and did several special needs rental housing units in the County of Maui.

The Chair asked Executive Director Aveiro for her recommendation.

Executive Director Stephanie Aveiro replied that staff is amenable to deferring this action; however, staff is looking to the Board for guidance regarding the administration of the HOME program. Ms. Aveiro explained it was not the intent to omit the Counties' participation. Rather, staff wanted to obtain the Board's feeling of whether or not they would be interested in exploring options to administer the HOME program differently for better results. If yes, staff would consider deferring the action.

Executive Director Aveiro further commented that there are other good worthy projects that are also asking how to access the HOME funds, and can the HCDCH set aside the HOME funds. Because of this interest, staff felt it was timely to propose the action and see what the Board would like to do.

Director Jung stated that he was dismayed at the timing of the "For Action," being that notice was given to the Counties on February 13, 2006, and the meeting was held on February 16, 2006. Director Jung further commented that more time should have been given to the counties to allow for discussion. He regretted that the counties had so little time.

HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII

Director Jung further commented that “If it is not broken, don’t fix it.” Those closest to the situation sometimes are best able to administer the program. He commented that he would move to defer consideration until there is fair opportunity for the neighbor island counties to voice their concerns to the staff and to confer with HUD in order to better understand our mission, how we remedy it, and how to address it, and finally, whether those efforts are best centralized on Oahu through this Board, or better handled as they appear to have been by the counties.

The Chair said that there is no motion and there is no need to move to defer. However, the Chair translated Director Jung’s guidance for staff to work with HUD and with the Counties.

Director Jung agreed.

Director Thompson commented that he also shares the concern that the Counties were not informed of this proposed action until the last moment. He indicated that the Counties’ comments have been positioned, and what was presented by HCDCH is that the process is not working very well. It seems that results – helping people – are being accomplished. Director Thompson also expressed his concern with HUD, and agreed that there needs to be more dialog between HUD, the Counties, and the HCDCH. He proposed deferring any action at this time.

Director Smith suggested that if the Directors decide to defer this action, the Board should ask for the following information: 1) How much money has been used for administrative and overhead costs during the past 14 years as HCDCH received \$42 million during that time, and 2) Ask the Counties for the same information – how many staff have they hired, what were their overhead costs, and what specifically were the funds used for.

Director Smith further commented that the two things she heard from HUD was accountability and how well we monitor. Thus, if HUD can’t hold HCDCH accountable, then HCDCH is not monitoring. Director Smith added that if the Board decides to keep the current arrangement, how do we improve our monitoring and how do we respond to HUD in terms of making decisions with them involved?

Director Henry Oliva asked the Counties about projects that are now in the process, and how many years will it take before they are completed, so that the Board has an idea of timing and decisions that need to be made.

Mr. Wade Oshiro responded that Maui County is working on the Central Maui Senior Housing Project that will be stacking about three or four years of HOME funds. The project will not start until 2007 or 2008.

Director Thompson asked Mr. Oshiro if Maui County has other projects that they are working on. Mr. Oshiro responded in the negative; that project is the County’s main project.

Director Thompson asked if there was a way for Maui County, if they have to stack a project, to give it to Kauai or to the Big Island. Mr. Oshiro replied that their consolidated plan would need to be amended if funds were moved around. This would cause delays.

Mr. Gary Mackler of Kauai County stated that they have projects where funds have not yet been expended or committed. The KEO Emergency Shelter and Transitional Housing Project is breaking ground on February 17, 2006, and that project will spend \$731,000 of HOME funds this year. Mr. Mackler also reported that they have a self-help housing in the ~~[Pu’upuhi]~~ Puhi Subdivision and that project will spend \$963,000 in HOME funds this year. Kauai County has also committed \$1.5 million for the Kalepa Village, Phase 3, Project.

**Corrected
3/16/06**

HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII

There is a 15% set aside for nonprofits that are called CHDOs (Community Housing Development Organization) which receives approximately \$150,000 a year in funding through each year's allocation. And Kauai County has had to combine multiple years of the set aside to do projects with the nonprofits. So, Kauai County has stacked several years of funding to do those projects.

Director Thompson asked if the set aside was mandated, and Mr. Mackler replied in the affirmative; that it is a statutory set aside in the grant. 15% has to be utilized by a nonprofit that is certified by HCDCH as having met certain organizational requirements.

Mr. Mark Chandler added that the CHDO set aside is by the State level, and Hawaii County, for example, puts almost all of their monies to CHDO. So, HCDCH is meeting HUD's requirement and not necessarily a need to put it on individual counties.

Director Manayan mentioned that all the Counties have to rely on their annual allotments, and if they are all stacking their projects because they are waiting for multiple allotments to move the projects along, Director Manayan indicated that one of the things that lacked oversight and could jeopardize the funding of the HOME funds would be timing issues, if the Counties could not meet the project timelines. Director Manayan asked what kind of timelines are there for usage of the funds from a project, from start to finish, that people would have to work with.

Mr. Chandler stated that there are generally two timelines: 1) Commitment is when the State executes an agreement with the Counties; and 2) Project specific where the Counties are expending by the project. There is a two year time period to get through the process of committing funds, and then there is a five year expenditure requirement.

Mr. Chandler remarked that certain counties have projects that are narrowly making program deadlines. However, if these projects continually get delayed, or if one of the neighbor island counties end up having one of their projects dropped, there will be problems with expenditures. However, credit should be given to the staff of each county and HCDCH for ensuring that funds have not yet been lost. Also, because of the performance measures by which HUD is mandated, it is getting tighter and tighter in meeting deadlines.

The Chair recognized Ms. Leah Yanagi from the County of Hawaii.

Ms. Leah Yanagi reported that Hawaii County has 60 senior rentals under construction. Two major projects that are under construction and expect to expend funds by this summer are the Hualalai Elderly Housing, Phase 3, in Kona, and the Kinoole Senior Residence in Hilo. The other projects are the County's tenant-based rent assistance projects which are currently assisting 120 families.

Ms. Yanagi further reported that Hawaii County will not be stacking projects in 2006. The County will continue with the tenant-based rental assistance and are proposing two self-help projects consisting of 10 units each which, hopefully, will not be stacked because they should have sufficient financing to complete these projects.

The Chair concluded the discussion without any motion for action and moved on to item six on the agenda.

HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII

The Chair commented that this is discussion only today.

Executive Director Aveiro introduced Ms. Pamela Dodson, the acting PMMB Branch Chief.

Director Smith asked Mr. Wade Oshiro, representative from Maui County, if he could stay for this portion of the meeting.

Ms. Aveiro also introduced HCDCH staff member Mr. Richard Speer.

Ms. Pamela Dodson explained that Kahekili Terrace and David Malo Circle projects are part of Management Unit 9, located on Maui, which also includes two other projects – Pi'ilani Homes in Lahaina, an elderly 42-unit project, and Makani Kai Hale, a 29-unit family project in Wailuku. All are managed by State workers. Ms. Dodson further explained that Kahekili Terrace was split into two locations with 82 units combined. As of February 3, 2006, there are 23 vacant units at Kahekili Terrace and 6 vacant units at David Malo.

Ms. Dodson reported that there was a fire in one of the occupied units at David Malo, and after moving the family to a vacant unit, six units remain, including one fire damaged unit.

On November 17, 2005, Ms. Dodson reported that HCDCH entered into a one-year agreement with the Department of Public Safety, Maui Community Correctional Center's Workline Program, where Workline inmates would provide landscaping services one day a week at all of the projects on Maui. This enabled HCDCH's maintenance crew to do more of the vacant unit turn-arounds.

Also, on December 1 and 2, 2005, inspectors from HCDCH's construction management section went to Maui to assess 22 vacant units at Kahekili Terrace and the 6 vacant units at David Malo. They identified the A, B, and C type units to assess their repair work and the materials that would be needed to do the repair. Ms. Dodson passed out photos taken to show the Board members.

On February 9, 2006, a contractor was selected to start work on the David Malo project in Lahaina. The contractor completed work on three vacant units and hopes to have all six done by the next two or three weeks, including the fire damaged unit.

Mr. Rick Speer reported that on February 22, it is anticipated that the contractor will work on the burned unit, and will complete work on the four vacant units by February 28, 2006. Work will then start at Pi'ilani housing on the two vacant units and should be completed by March 3, 2006.

Ms. Dodson continued by reporting that beginning February 6, a crew from the construction management section will go to Maui to assist the Maui maintenance staff to repair the vacant units at Kahekili Terrace. They will be working on Maui on weekdays, Monday to Friday, and return to Oahu on the weekends. Also, Mr. Speer will be going to Maui weekly to assess their work and will decide how long the crew will be staying on Maui. Ms. Dodson indicated that she would provide the Board with a monthly status report.

Mr. Rick Speer reported that a contract will be prepared for Makani Kai Hale to repair 6 vacant units. Staff will fast track that so that the work can be completed before March 30, 2006. Between the staff from the central maintenance section and the Maui staff, they will be able to complete another 5 or 7 units within the next month or so.

Mr. Speer indicated that a meeting was held with Sherri Dodson, the Executive Director of Habitat for Humanity, Maui, who has committed to help with the renovation on the interior and exterior of buildings during the second or third week in March 2006. Mr. Speer further indicated that Maui Habitat is also

DISCUSSION
OF PROPOSED
ACTION PLAN
FOR KAHEKILI
TERRACE
AND DAVID
MALO CIRCLE
PROJECTS,
MAUI, HAWAII

HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII

receiving help from various organizations, nonprofits and private contractors, including the TMC Construction, that Director Thompson referred. The Rotary Club and some other nonprofit organizations are also going to help to do the REAC work in the exterior of the common areas of the buildings. Mr. Speer indicated that he also met with Goodwill Industries to set up a training program for janitorial work on HCDCH's public housing projects which should help to fast track the unit turnaround.

Director Thompson commented that he had a commitment from staff that 10 units would be ready to rent by the end of January 2006. However, the units were not ready. Director Thompson feels that HCDCH is band-aiding the situation and is not convinced that staff will be able to complete all the repair work. Director Thompson asked Mr. Speer for his best feel as to when the units at Kahekili Terrace will be ready for people to live in. Mr. Speer responded that he did not know but estimated the work may take four months.

Director Thompson asked for the number of A units.

Pamela Dodson replied four at Kahekili.

Rick Speer added that the rest are B units and C units.

Director Thompson asked if the A units would be worked on first, and Mr. Speer responded in the affirmative. Director Thompson asked how many C units there are, and Mr. Speer said about five.

Director Thompson asked how long would the B units take to complete, and Mr. Speer said about one week.

Ms. Dodson indicated that she spoke to the central maintenance staff and told them to work on the A and B units first since they could turn those around quicker and move people in faster. And, as they were waiting for things to dry, like the drywall, they would work on the C units.

Director Thompson commented that Alice Lee, Director of Housing and Human Concerns of Maui County, is also willing to discuss taking over the repair work. It is a "cause celebre" on the Island of Maui. So many units have been vacant for so long, and it is tied up with the homeless at Breakwater, and nothing is happening.

Director Thompson suggested that HCDCH get someone on Maui to manage the project because it is a serious situation.

Executive Director Aveiro indicated that private contracts were chosen for the surrounding areas. It takes at least 45 minutes to get to Lahaina, and the goal was to have staff concentrate on Kahekili Terrace. Ms. Aveiro stated that there are two people in the office, three maintenance people, and a tremendous shortage of staff there.

Ms. Aveiro further commented that every unit must be inspected because they are dealing with the annual unit inspections. Every time maintenance staff goes into a unit, a work order is generated. Additionally, there are REAC inspections forthcoming, and the reason Rick Speer mentioned getting volunteer efforts to help out with Kahekili Terrace is because that project had the lowest scores last year, and HCDCH must get a passing score this year.

Ms. Aveiro indicated that despite having the annual unit inspections, REAC and unit turnarounds, HCDCH has other compounding problems. Kahekili Terrace is not the solution to the Breakwater homeless problem. There is a waiting list, and people would have to sign up to apply.

HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII

With respect to how long it will take to repair the 23 vacant units, HCDCH may be able to do them all in approximately four months. On the other hand, there may be another 23 units that become vacant for a variety of reasons. So, it is difficult to say that all 82 units are going to be rented as of a certain date because that may not be a reality.

Ms. Pamela Dodson agreed that as Director Thompson said, the Board has to see some action and some movement to get the repairs done.

Director Thompson added that although HCDCH has the crews and the nonprofits working, someone has to be on Maui to oversee all the work.

Ms. Aveiro said she agreed. If the Board desires to turn over this project to Maui County, perhaps HCDCH should ask Mike Flores about its disposition.

Mr. Flores responded that there is a disposition process.

Ms. Aveiro commented that staff is familiar with the disposition process, and has been looking at the projects in asset management and what to do with them.

Chairman Sted indicated that he did not want to get into the discussion on the disposition since it is not an agenda item.

Director Smith stated that she feels there might be some impact on Oahu sending eight people from Central Maintenance Services to Maui.

Ms. Dodson reported that HCDCH has a 17-member crew at Central Maintenance. Nine remain on Oahu, and eight are on Maui. Also, HCDCH deployed some staff to Waikoloa on the Big Island since the HCDCH took over the management of this project from Urban Real Estate Company.

Director Smith commented that the goal is that staff can pretty much handle the day-to-day turnovers. It is getting the resources necessary to take care of the units which have been sitting vacant for some period of time.

The Chair thanked Mr. Rick Speer for his statements of conviction.

The Chair asked if the Members had any further comments before voting.

Director Thompson asked Mr. Speer if he will be in contact with the Rotary Club, and Mr. Speer replied that he is working with Ms. Sherri Dodson of Habitat for Humanity, Maui, to organize the volunteer efforts. Mr. Speer said they are meeting with the management division of Habitat Maui on February 22, 2006, to visit all the projects and assess what can be done, and what organizations can do to assist.

The Chairman moved on to Item 7. Discussion first.

Executive Director Aveiro stated that she received a letter from the members of the Senate Committees on Human Services and Commerce, Consumer Protection and Housing. The Committees requested that Island Tenants on the Rise (ITOR) be included on the HCDCH Board of Directors meeting agenda, for 15 minutes on a monthly basis, prior to lunch break.

Ms. Aveiro further stated that the letter indicated that ITOR would like an opportunity to share the tenants' views on various concerns identified in public housing projects statewide. In her view, HCDCH already has resident councils which the Board confirms upon election and serves as a vehicle for tenant input. This structure was created by HUD under the Code of Federal Regulations (CFR). Ms. Aveiro reported that she meets with ITOR monthly where they have an opportunity to share their ideas.

DISCUSSION
AND
POSSIBLE
ACTION ON
LETTER
DATED
JANUARY 24,
2006 FROM
SENATE
COMMITTEE
ON
COMMERCE,
CONSUMER
PROTECTION
AND
HOUSING

HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII

Ms. Aveiro objected to the idea that ITOR represents the residents because they do not, and they are not a duly-elected resident council. Thus, Executive Director Aveiro recommended that the Board deny the request and allow staff to respond to the Senate Committees letter.

Director King asked if any of the ITOR members are also members of the RAB.

Ms. Aveiro believed some are and further commented that the RAB is the advisory group to the PHA Plan and comments on the plan. The Resident Services Section staffs the RAB meetings and arranges for neighbor island RAB members to travel to Honolulu for meetings.

Ms. Aveiro introduced Ms. Lusia Wieckowicz, Secretary of ITOR, and Mr. Mike Flores from HUD, to comment on the structure and how HCDCH obtains resident participation and resident input.

Ms. Wieckowicz explained the issue was raised because of concerns for tenants who are not represented or cannot get legal aid when they need it. She also reported that tenants do not get information on issues discussed at the Board meetings. Ms. Wieckowicz said that she lives in a federally-subsidized housing at Wilikina Apartments and learned that the project was being sold. So, attending the Board meetings is an avenue for ITOR to obtain information on what activities are happening in public housing.

Chairman Sted asked for a copy of the by-laws to read the paragraph which states the role of the Chairman in setting an agenda because he is reluctant to go in the direction that is being proposed at this meeting. The Board goes through a monthly cycle of establishing an agenda for the meetings and is obligated under law and regulations regarding posting an agenda and keeping to that agenda.

The Chair explained that there are processes that exist for establishing an agenda and public awareness of any of the subjects on the agenda and that it is the Board's responsibility to help ITOR to understand how to participate in the existing process rather than changing the process.

Director Thompson commented that he was interested in the Chair's proposal and is aware of the RAB process. However, RAB members have not attended any meetings to voice their concerns to the Board. Director Thompson indicated that he is interested in what they have to say.

Director Smith commented that the Board meetings are open; the minutes are available once they are approved, and anyone can run for the resident advisory council if they are tenants in public housing.

Executive Director Aveiro commented that the Resident Advisory Board, the RAB, has a specific duty to advise the HCDCH on the PHA plan, and they are made up of resident council presidents or their representatives. The Board should be concerned if they don't hear from the resident councils on how residents are represented. The ITOR do not represent all residents, not through elections.

Director Jung stated that his understanding is to set aside on the agenda fifteen minutes during every meeting. Since the Board meetings are public, any organization, if they write in, may speak to the Board. However, ITOR has the right to ask to be put on the agenda any time at any meeting. The request that the Board received from the Legislature is that regardless of whether ITOR request it or not, they can be put on the agenda on a regular basis. Director Jung questioned whether there is a need to put ITOR separately on the agenda at every meeting because the Board would have to allow the same opportunity to all other organizations making similar requests. Director Jung also remarked that he would disassociate with Director Thompson's remarks about their right and the Board's desire to have the input.

HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII

Ms. Wieckowicz stated that it is important for the Board to know that currently ITOR is the only advocate for the tenants in Hawaii, and that input from the residents are not being adequately relayed to the Board by the RAB since they cannot function independently from the Resident Services Section.

Mr. Michael Flores of HUD clarified the following three points:

1. By HUD regulations, the HCDCH Board recognizes resident councils that are duly-elected as representatives of these various housing projects, and that is the basis for the resident organizations.
2. There could possibly be an umbrella organization such as Tenants on the Rise. But, for ITOR to be recognized as an umbrella organization, a resident council must be established, and the resident council had to vote to decide whether or not ITOR would be that representative. Mr. Flores further stated that once a resident council is recognized, there can be no competing organization that comes in and tries to be another organization that's recognized by the HCDCH Board, a HUD regulation.
3. HUD is still, according to the Improvement Plan ("IP"), looking for the resident representative, by law, to sit on the HCDCH Board.

The Chair requested that HCDCH staff draft a letter from the Chair in response to the Committee members which outlines all of the existing structure and State processes, including the comments from Mr. Flores-HUD. The response should also include encouragement to the residents to avail themselves of all the opportunities that already exist to participate in all levels of structure, including attendance at Board meetings, and to set ~~for~~ forth the process which tenants or groups of tenants can bring forth items for the Board's agenda.

**Corrected
3/16/06**

Directors Manayan and Jung agreed.

Director Thompson stated that when HCDCH was established, the resident member on the Board was to be the voice for the public housing residents.

Director King commented that when the Board did have a resident member, this participation did help the Board.

The Chairman suggested adjournment for a lunch break and do Executive Session during lunch.

RECESS

Director Thompson then moved, seconded by Director King,

**EXECUTIVE
SESSION**

That the Board meet in Executive Session at 12:25 p.m.
to discuss matters as set forth in the agenda under Executive
Session.

The motion was unanimously carried.

The Chair reconvened the meeting at 12:53 p.m.

RECONVENED

* * * * *

Director Thompson moved, seconded by Designee Oliva,

That the meeting reconvene in regular session at 12:53 p.m.

The motion was unanimously carried.

Chairman Sted commented that the Office of the Executive Director Report is the only report on the calendar for today.

HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII

Executive Director Aveiro called the Board's attention to the January 11, 2006 letter from Interim Executive Director David Gitch, from the Housing Authority of the City of Bremerton, Washington State. Past Executive Director, Mr. Merle Wallace, is no longer with the agency.

Executive Director Stephanie Aveiro noted the February 6, 2006 letter from Hawaii Habitat for Humanity – Maui, Executive Director Sherri Dodson. They are requesting access to the HOME funds and potential opportunities for partnership with HCDCH. It is our intention to review the letter and bring back to the Board with a Discussion/For Action item.

Executive Director Stephanie Aveiro noted the February 2, 2006 letter received from Mr. Michael Flores, U.S. Department of HUD, of the Hawaii State Office. We really appreciated HUD's support of HCDCH's taking action and "cracking down" on evictions.

Chairman Sted stated that before the meeting started, he gave Executive Director a letter dated February 6, 2006, from Senator Donna Mercado Kim. Unfortunately, he was out of town for a week.

Chairman Sted stated that he would work with staff and draft a response to Senator Kim's question regarding HCDCH's policy of evicting people after the Evictions Board's decision but before the Court hears the appeal.

Director Thompson requested the Board to be aware of what Mr. Flores said in his letter of February 7, 2006. He quoted, "HCDCH is faced with an operating deficit of \$3.9 million and will be forced to draw funds from its operating reserves to cover projected expenses for the year." He stated, "This is very, very critical when we think about all the matters that are ahead of us. This financial trouble is significant for the corporation."

Executive Director Aveiro commented that the legislative report included information about potential legislation that will put back the "administrative appeals" in the eviction process, further extending the process.

Director Thompson stated he hoped the letter from HUD would support our request to not let that happen.

Executive Director Aveiro asked if the Board members had any questions for her and/or staff.

Director Smith stated that she talked with Mike Flores to discuss the HCDCH Improvement Plan (IP) mentioned in his letter of January 23, 2006. Director Smith noticed that some of the target dates are today or yesterday, and she didn't know whether or not the Directors wanted to focus on some of those.

Director Thompson agreed that he would like to talk about that.

Director Smith stated that Mike Flores explained to her that he sees this IP as continuing to build on their cooperative arrangements, and that HCDCH has these ten elements. Mr. Flores also said it is important for HCDCH to treat this IP as seriously as the MOA. The targets listed, while they are targets, are deadlines that HCDCH will be held accountable for.

Director Smith asked Executive Director Aveiro if that reflects staff's discussion with him.

Executive Director Aveiro responded in the affirmative but also commented that HCDCH has to keep focused on the agency's PHAS reviews and scores. As long as the targets tie into HCDCH's priorities to pass the PHAS, we share his sense of priority.

HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII

Mr. Mike Flores also stated to Director Smith that HUD is going out to actually verify the vacancies and verify if the vacant units are A, B, or C.

Executive Director Aveiro said that HCDCH was given notice and the first site visit will be the Hilo projects.

Executive Assistant Pamela Dodson said that HUD will also be going out to Kuhio Park Terrace after Lanakila. HUD will be focusing on the 11 projects that failed the physical inspections last year.

Director Thompson stated he shared the concerns of Director Smith regarding the Improvement Plan. He said that the goals should be challenging but yet attainable. "Some of these goals are very one sided without any consideration of dialog to determine the target dates. Director Thompson indicated that the IP goals are unrealistic and cannot be accomplished. As stated, the goals are setting up the HCDCH for failure."

Executive Assistant Dodson stated that staff had two meetings with HUD and tried to change things.

Executive Director Aveiro stated that the most offensive date is the 30-day unit turnaround for units that became vacant as of July 1, 2005.

HCDCH could not convince HUD to change the July 1, 2005 date. Staff asked to start in February, give HCDCH thirty days, and see what staff can do. To start at July 1, 2005, staff already lost July, August, September, October, November, December 2005, and January and February of 2006.

Director Thompson said it's not doable, it's not doable. "I think we have to go on record and let them know that. You can't let it go; we have to say we can't. We do not accept this; it is not possible."

Director Smith was excused and left the meeting at 1:10 p.m.

Chairman Sted asked Executive Director Aveiro if she had enough information to draft such a letter. Executive Director stated that she did.

Director Thompson then asked about the resident member on the Board. It is on the IP. He recommended that the Chairman draft a letter to the Governor expressing our need for a resident representative on the Board.

Executive Director Aveiro explained that by statute, the Resident Advisory Board submits the names to the Governor. Four names were submitted, and the Governor and/or the Boards and Commissions staff requested more names. The RAB questioned why none of the four names were selected and asked what requirements are the Governor's Office looking for. It has taken months between the communications. Executive Director Aveiro stated they have repeatedly asked the boards and commission officer for updates.

The Chairman stated that he thought that was an adequate briefing of the situation and asked if there was anything else the Executive Director wanted to discuss.

Executive Director asked that Hearings Officer Lili Funakoshi address the Board regarding the eviction report.

Ms. Lili Funakoshi stated that she had submitted to the Board statistics like she does every month but wanted to share a letter signed by Executive Director Aveiro and shared with the legislators regarding the two cases profiled in the media. Senator Menor had asked for such an explanation.

HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII

Director Thompson stated he had absolute confidence in the agency in the way it is handling this matter and that he had no questions whatsoever. He ended with: “Do your job and do it well.”

Ms. Funakoshi and Executive Director thanked the Board members.

There being no further questions, the Chairman asked if there was a motion to adjourn.

ADJOURN-
MENT

Director Thompson moved, and seconded by Director King. The Chairman asked and the majority voted in the affirmative.

There being no further business to discuss, the Chair declared the meeting adjourned at 1:15 p.m.

LILLIAN KOLLER
Secretary

Approved:

